

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE INVESTIGATION</b>	)	
<b>OF INTER-JURISDICTIONAL ISSUES</b>	)	<b>CASE NO. PAC-E-02-3</b>
<b>AFFECTING PACIFICORP DBA UTAH</b>	)	
<b>POWER &amp; LIGHT COMPANY</b>	)	<b>NOTICE OF 2003 "PROTOCOL"</b>
	)	
	)	<b>NOTICE OF 2004</b>
	)	<b>"REVISED PROTOCOL"</b>
	)	
	)	<b>NOTICE OF PUBLIC</b>
	)	<b>WORKSHOPS</b>
	)	

---

On March 5, 2002, PacifiCorp dba Utah Power & Light Company (PacifiCorp; Company) petitioned the Idaho Public Utilities Commission (Commission) to initiate an investigation of inter-jurisdictional issues affecting the Company as a consequence of its status as a multi-jurisdictional utility subject to the jurisdiction of six state regulatory Commissions. By Order No. 28978 in Case No. PAC-E-02-3, the Commission established a docket for investigation, established an intervention deadline and approved a joint Multi-State Process (MSP) for analyzing PacifiCorp inter-jurisdictional issues (*Idaho Code* § 61-505) and established initial MSP scheduling (*Idaho Code* § 61-501).

YOU ARE HEREBY NOTIFIED that on September 30, 2003, PacifiCorp filed a Motion, direct testimony and exhibits in this docket seeking Commission ratification of an Inter-jurisdictional Cost Allocation Protocol (Protocol). The filed Protocol is the culmination of an extended series of Multi-State Process (MSP) meetings, technical workshops and telephone conferences. MSP meetings were attended by representatives of some 18 entities from the States of Utah, Oregon, Wyoming, Washington and Idaho. Participants included representatives of State Commission policy staffs, advocacy staffs, industrial customers and consumer groups. The Company's filing in Idaho was identical to contemporaneous filings made with Commissions in Utah, Oregon and Wyoming.

As reflected in the Company's September 30 filing, PacifiCorp was encouraged by MSP participants to develop and file a specific proposal for resolving MSP issues consistent with

NOTICE OF 2003 "PROTOCOL"  
NOTICE OF 2004 "REVISED PROTOCOL"  
NOTICE OF PUBLIC WORKSHOPS

the results of the analyses that have been conducted and responsive to the views expressed by MSP participants.

The Protocol filed by PacifiCorp is the Company's "MSP solution." The Protocol describes how PacifiCorp's generation, transmission and distribution costs will be allocated or assigned to PacifiCorp's six retail jurisdictions. The Protocol also describes mechanisms for ensuring continued dialogue among interested parties regarding PacifiCorp inter-jurisdictional cost allocation issues and procedures, and for resolving concerns and inconsistent policies that may arise among the Company's state jurisdictions in the future.

PacifiCorp anticipates that ratification of the Protocol will resolve current differences among PacifiCorp's retail jurisdictions concerning needed new resources and cost allocation methods. PacifiCorp contends that ratification will provide the Company assurance that it will have a reasonable opportunity to recover prudent investments in new generation and transmission facilities and required improvements to existing facilities. This, in turn, it states, will ensure that the Company's customers continue to receive safe and reliable electricity service at reasonable prices.

Since the Company's September 2003 filing there have been numerous meetings during which the Company has received input from interested parties and where an attempt has been made to achieve a consensus solution to MSP issues. The Idaho Commission Staff has been an active participant in these discussions. While full consensus has not been achieved, substantial progress has been made.

YOU ARE FURTHER NOTIFIED that on July 14, 2004, PacifiCorp filed a Revised Protocol and Supplemental Testimony in Case No. PAC-E-02-3. The Revised Protocol has also been filed in Oregon, Utah, Wyoming and Idaho. In Washington, PacifiCorp filed the Protocol method as part of the Company's rate case in that state and submitted in rebuttal testimony the Revised Protocol. In the near term through 2008, the Revised Protocol methodology results in cost shifts in the 2% per year range to Idaho. However, the long-term results are more favorable because future hydro relicensing costs will be assigned directly to the Pacific Power & Light states, Washington and Oregon.

Key elements of the Revised Protocol are: a hydro endowment reflecting the cost difference of hydro-electric resources and certain contracts attributed to the former Pacific Power and Light states; an assignment recognizing the cost difference of state-specific qualifying facilities; and an allocation for seasonally specific resources. All other resources will continue to be allocated based on the peak and energy requirements of each state on the integrated system.

In addition, the Revised Protocol addresses treatment of a number of items and potential situations including: (i) refunctionalization and allocation of transmission costs and revenues, (ii) treatment of the costs of special contracts, (iii) means of accounting for and accommodating state specific policies, such as direct access, and (iv) the process and infrastructure for resolving issues in order to further secure the sustainability of the allocation methodology in the future.

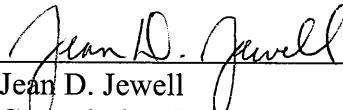
YOU ARE FURTHER NOTIFIED that Commission Staff will hold a **Public Workshop** for Utah Power & Light customers on **MONDAY, OCTOBER 4, 2004, AT 7:00 P.M. AT THE ROBINSON BUILDING, 186 WEST SECOND NORTH, PRESTON, IDAHO ((208) 852-1050)**. At this meeting customers will have an opportunity to hear from Commission Staff regarding the Company's Application in Case No. PAC-E-02-3, the Revised Protocol and Staff's participation in settlement discussions. IDAPA 31.01.01.273. Customers will have an opportunity to ask questions of Staff and Company representatives.

YOU ARE FURTHER NOTIFIED that the Commission Staff will hold a second **Public Workshop** for Utah Power & Light customers on **TUESDAY, OCTOBER 5, 2004 AT 7:00 P.M. AT THE BEST WESTERN COTTONTREE INN, 450 WEST FOURTH SOUTH, REXBURG, IDAHO ((208) 356-4646)**. At this meeting customers will have an opportunity to hear from Commission Staff regarding the Company's Application in Case No. PAC-E-02-3, the Revised Protocol and Staff's participation in settlement discussions. IDAPA 31.01.01.273. Customers will have an opportunity to ask questions of Staff and Company representatives.

YOU ARE FURTHER NOTIFIED that the Application in Case No. PAC-E-02-3 and the Company's submitted Inter-Jurisdictional Cost Allocation Protocol with proposed revisions may be viewed on the Commission's website, [www.puc.state.id.us](http://www.puc.state.id.us), by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities

Commission, 472 West Washington Street, Boise, Idaho and at the Idaho offices of PacifiCorp  
dba Utah Power & Light Company.

DATED at Boise, Idaho this 14<sup>th</sup> day of September 2004.

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

bls/N:PACE0203\_sw